



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

NOTICE OF ELECTRONIC MEETING ACCESS & INFORMATION

To ensure government operations continue to function openly and transparently during the COVID-19 emergency while taking measures to protect the health and safety of citizens and government officials, Governor Bill Lee issued Executive Order No. 16 on March 20, 2020 allowing governing bodies to conduct essential business by electronic means. A link to the Electronic Meeting Access & Information is available online at:

WWW.LOUDONUTILITIES.ORG

Join the Zoom Meeting using our computer, tablet, iPad, and/or smartphone:

<https://loudonutilities.zoom.us/j/6429958536?pwd=WVRYQzEyaXc1c0lrUUhjWkVTYWZjdz09>

Meeting ID: 642 995 8536

Password: LoudonTN

One tap mobile

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Dial by our location

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Meeting ID: 642 995 8536

All participants will be muted upon entry to the Zoom Room.

During the appropriate times, the moderator will unmute any participant who would like to speak.

If you have questions or requests for special accommodations, please contact us at 865-458-2091.



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AGENDA

LOUDON UTILITY BOARD WORKSHOP

July 13, 2020

4:30 PM

1. Recognition of Visitors
2. Safety Report
 - a. Job Postings
3. TVPOA Contract Update
4. Approval of Accounts to be written off
5. Surplus Trucks – CMAQ
6. Financial Reports for May
7. Natural Gas Rates
 - a. Enbridge Rate Action
8. Other
 - a. Fireworks



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LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: July Workshop Items

Date: July 10, 2020

The following items appear on the agenda for the July 13, 2020 Workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors.
2. Safety Report - There have been no reportable injuries in the month of June.
 - a. In addition, we will brief the Board on open job postings.
3. TVPOA Contract – After continued talks with TVPOA concerning a long-term water supply agreement we are down to a small number of sticking points. We will brief you as a Board at this workshop on progress made thus far.
4. Approval of Accounts to be written off – Each year there are debits and credits that must be accounted for in order to close the books on the fiscal year and prepare for our annual audit. Included in these items are unpaid bills that management considers uncollectable. These bad debts will be presented in summary fashion at our meeting.
5. Surplus Trucks – 2006 International 4300 Bucket Truck (Replaced with 2020 M2-106 Bucket Truck thru CMAQ) – The first of our granted funded bucket trucks has arrived, therefore, in order to comply with the term of the grant we must destroy the engine block of the above-named vehicle and declare it surplus for placement on GovDeals or salvage.

6. Financial Reports for May - Financial reports will be presented.
7. Natural Gas Rates –
 - a. Enbridge Rate Action – East Tennessee Natural Gas, LLC aka Enbridge controls the natural gas pipeline that supplies our region. Enbridge charges users downstream for this use of the line. Think of it as a “tariff.” Another way to look it is what a ferry boat charges to cross the river. I like especially that analogy here in Loudon (smile). The tariff that Enbridge charges has remained constant for many years. On June 30, 2020, Enbridge filed its case to the Federal Energy Regulatory Commission (FERC) that its tariff did not cover the necessary expense of repairing and maintaining its natural gas transmission service. This is not unlike the Cost of Service Study exercise we recently went through at our Water Department. At our workshop we will summarize the rate impact on LUB that could have an effective date of August 1, 2020. A full copy of the Enbridge Rate Action is linked here...
https://linkwc.spectraenergy.com/Regulatory/ETNG_2020_0630_Rate_Case_Filing.pdf
8. Other
 - a. Fireworks: In conjunction with Riverfest the Parks & Recreation Department requests \$3,000 for the purchase of a fireworks display.

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 6/1/20</i>	<i>Rate Effective 7/1/20</i>	<i>Rate Effective 8/1/20</i>	<i>Rate Effective 9/1/20</i>	<i>Rate Effective 10/1/20</i>	<i>Rate Effective 11/1/20</i>	<i>Rate Effective 12/1/20</i>
Gas Supply Cost	4.9950	1.7300	1.6500	1.4200				
Pipeline Charges	0.2755	0.0651	0.0629	0.0567				
Supply Management	<u>0.0350</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>
Subtotal	5.3055	1.8401	1.7579	1.5217				
BTU & System Loss (8%)	0.0000	0.1472	0.1406	0.1217				
Demand Unit Charge	1.2200	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370
ETNG Rate Action 8/2020				1.0000				
Storage Charges	<u>0.0000</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>
Cost of Gas	6.5255	5.3143	5.2255	5.9704				
System Operations	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>
Cost per MCF	\$11.000	\$9.7888	\$9.7000	\$10.4449				
Rate per 100 Cubic Feet	\$1.10	\$0.98	\$0.97	\$1.04				

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
 Storage Charges added June 2004 and increased May 2008
 ETNG Rate Action added August 2020*